

Presented to the Joint Legislative Economic Development and Global
Engagement Oversight Committee

Public Private Partnerships Lessons Learned

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States with Public-Private Partnerships

State	Year Created
Utah	1987
Wyoming	1988
Rhode Island	1995
Virginia	1995
Florida	1996
Michigan	1999
Indiana	2005
Missouri	2007
Arizona	2011
Iowa	2011
Ohio	2011
Wisconsin	2011

3 Basic Types



Mixed Results

- No conclusive studies show that public-private partnerships are more or less effective than a public agency
 - Limited track record in other states
 - Variety of models with different track records
 - Depends of definition of success

Potential Pitfalls

- Conflicts of Interest
- Lack of Transparency
- Limited Private Sector Investment
- Growing Pains
- Lack of Performance Evaluation

Conflicts of Interest

- Insulate incentive decisions
 - Keep final incentive decisions within public agencies
 - Prohibit fundraising staff/leadership from making incentive decisions
 - Target fundraising at businesses unlikely to apply for discretionary incentives or government contracts
- Insulate use of public funds
 - Specify possible uses for public funds
 - Require competitive bids for all procurement
- Rigorous ethics requirements
 - Subject board/staff to State ethics laws
 - Require Statement of Economic Interest for P3 board/staff

Transparency

- Subject board deliberations to open meeting/record laws
 - Negotiations with prospects often must be kept confidential
- Make records public
 - Publish all private sector donors
 - Publish terms of finalized location deals
 - Public detailed annual report
- Require independent audits

Private Sector Donations

- Study potential for sustainable private sector fundraising
- Develop budget for core duties that does not rely on private sector funds

Growing Pains

- Clearly define core mission
- Set reasonable timetable for implementation

Measuring Results

- Study performance under existing Department of Commerce
 - Identify key problems
 - Set measurable goals
 - Require regular reports on measurable results
- Require external performance review

Common Performance Metrics

General

Jobs announced and created

Jobs in distressed areas

New payroll

Capital investment

Marketing

Percentage of leads generated by marketing

Mentions in print, broadcast, and online media

Number of business ambassadors

Attraction

Incentive cost per job

Time to positive ROI for State

Percentage of leads generated by staff

Response time to inquiries and RFPs

Retention and Expansion

Jobs created

Job losses avoided

Number of businesses contacted/assisted